Health PEI

2015-2016 Annual Report

Health PEI

One Island Health System

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A Message from Health PEI's Board Chair and CEO

On behalf of Health PEI's Board of Directors, Senior Management Group, staff and physicians, we are pleased to present to the Minister of Health and Wellness, and people of Prince Edward Island, the 2015-2016 Annual Report for Health PEI.

This past year has been marked with great progress on many fronts as we work together to provide care to Islanders with a focus on *Quality*, *Access* and *Efficiency*. Islanders have challenged us to be more creative and innovative in the care we provide, so they can access care more easily and closer to home. We are listening and learning from their experiences as we put patients and their families at the center of our work and engage them in planning for the future of health care in Prince Edward Island.

Because of the dedication and commitment of over 4,600 staff, physicians and volunteers, Health PEI has a solid foundation upon which to build. We thank them for the care and support they provide Islanders every day.

We would also like to take the opportunity to recognize Dr. Richard Wedge, who retired this year after serving four years as Health PEI CEO and over 20 years in health administration in Prince Edward Island.

As we move forward, we will continue to find ways to be more innovative and efficient in managing and delivering health care while investing in essential public services that are important to Islanders. Our priority, and focus, is on providing Islanders with safe, quality care and an excellent experience.

Respectfully submitted,

Phyllis Horne
Board Chair

Dr. Michael Mayne
Chief Executive Officer

About Health PEI

Health PEI is a crown corporation responsible for the operation and delivery of publicly funded health services in Prince Edward Island. The organization is governed by a Board of Directors and offers a full continuum of acute care and community-based health services, including public health programs, long-term care facilities, home care services, primary care networks, health centres, and mental health and addiction services.

Health PEI partners with a number of government departments and organizations across the province in order to provide quality health care services to Islanders, including but not limited to: the Department of Health and Wellness, the University of Prince Edward Island's School of Nursing and advanced education programs, the PEI Association of Newcomers to Canada, as well as a number of auxiliaries, hospital foundations and non-governmental organizations throughout the province.

Our Staff

4,615
EMPLOYEES

86%
FEMALE

14%
MALE

51%
EMPLOYEES WITH OVER 10 YEARS OF SERVICE

Health PEI Board

The Health PEI Board works on behalf of Islanders to provide oversight of the financial management and delivery of safe, quality health care. The Board governs Health PEI and is accountable to the Minister of Health and Wellness.

The Board is made up of 11 members from across the Island who are each appointed by the Minister of Health and Wellness for a three-year term. Each member represents various community perspectives and offers a broad combination of skills, knowledge and experiences necessary to govern our health system.

www.healthpei.ca/board

2015-2016

Our Strategic Direction

Our Vision

One Island health system supporting improved health for Islanders.

Our Mission

Working in partnership with Islanders to support and promote health through the delivery of safe and quality health care.

Our Values

Caring

We treat everyone with compassion, respect, fairness and dignity.

Integrity

We collaborate in an environment of trust, communicate with openness and honesty, and are accountable through responsible decision-making.

Excellence

We pursue continuous quality improvement through innovation, integration and the adoption of evidence-based practices.

Our Goals

Quality

We will provide safe, quality and person-centered care and services.

Access

We will provide access to appropriate care by the right provider in the right setting.

Efficiency

We will optimize resources and processes to sustain a viable health care system.

2015-2016

Year in Review

Over the last year, we made significant improvements in providing high quality care that is focused on improving the experiences and health outcomes of Islanders using our services. We have been asked by Islanders to provide more access to different services in a timely and efficient way with a focus on the patient and their needs. As with many other provinces across Canada, we are faced with many challenges such as higher demand for services, rising costs, recruitment and hiring of staff, and changing population health needs.

In light of these challenges, we have made progress towards achieving our goals of Quality, Access and Efficiency. This section highlights key accomplishments from 2015-2016. Throughout the report, we have incorporated first-hand accounts from Islanders about their health care experiences. Detailed summaries of our accomplishments for each goal area, our profile and our audited financial statements are also included in this report.

Strategic Performance Indicators (SPIs) are provided at the end of the report (Appendix A). SPIs are monitored regularly and are used to measure performance in our three strategic goal areas. At the beginning of the 2013-2016 Strategic Plan, Health PEI identified SPIs that represented different areas of the health care system based on our goals, programs and services provided and areas for improvement.

The accomplishments described in this section are organized by goal area and objective. Each goal area is aligned with a set of SPIs that show progress made or areas where enhancements may be required.

Quality

Our focus on quality touches all aspects of the care Islanders receive. We have worked to reduce medication errors and the number of falls in our long-term care facilities. We also have patients and their families at the center of the care we provide and as a part of our teams that are responsible for planning services and programs.

Under the umbrella of quality, we also work to improve the health outcomes of Islanders by moving forward in key areas such as diabetes, cancer, stroke and chronic obstructive pulmonary disease (COPD).

Supporting all of this work are the staff in our hospitals, clinics, long-term care homes and other facilities. We have also worked to develop a healthier work environment for over 4,600 staff and physicians.

Areas of Focus

- **Patient safety standards**
- **Person-centered care**
- **Improved health outcomes through prevention and education**
- **Healthy work environment**

> *While my wife and I have greatly benefited from the Island's health care system over the years, my "experience" is of a different nature. Some years ago, Health PEI advertised for "community members" for its Quality & Safety Committee. This initiative was intended to add a community voice to the Committee's deliberations. I had no particular expertise to offer but was prompted to apply as a form of "payback" for the care provided to us. It has indeed, been an "experience". Increasingly, I am impressed by the scope, professionalism and dedication of those who care for us. We are well served.*
>
> *Doug Boylan*
> *Charlottetown, PEI*

Objective 1.1

Ensure appropriate patient safety standards are met

Medication Reconciliation

- Medication reconciliation was completed at different points of care throughout the province to ensure accurate and comprehensive medication information is communicated consistently among health care providers across care transitions.

Infection Prevention and Control

- A three-year work plan was developed by the Provincial Infection and Prevention Control Advisory Committee to reduce the transmission of infectious disease and ensuring compliance with national standards.
- An Influenza Immunization Policy was developed for health care workers.
- Provincial Infection Prevention and Control formed a new partnership with Home Care to monitor surgical site infections.

Falls Reduction in Long-Term Care

- Safety measures were implemented to reduce the incidence of resident falls in three long-term care facilities. All three participating manors documented a 9 per cent reduction in falls.
- The Prince Edward Home Dementia Care Project was implemented using non-pharmacological approaches such as staff training, recreational activities and environmental improvements. This project has shown promise of reducing the following incident reports: falls, aggression and reliance on medication. This project has also resulted in improved staff perception of care, better family satisfaction and savings in health care dollars.

www.healthpei.ca/patientsafety

My time as a community representative on the Health PEI Quality & Safety committee has truly been enlightening. I have learned a great deal both through observation and participation on the Committee about the inner workings of our Island health care programs and services. What I appreciate most is having the opportunity to engage in the dialogue and ask questions when our health care teams deliver presentations on their respective areas; I am equally encouraged by their commitment and enthusiasm for ensuring the highest standards of care.

Wendy Poirier
Charlottetown, PEI

Objective 1.2

Embed the philosophy of person-centered care

Engagement

- A Patient and Public Engagement Toolkit was developed to assist staff in their engagement efforts with a focus on the provision of person-centered care and improved quality.
- A Mental Health and Addictions (MHA) Patient and Family Engagement Framework was developed to aid MHA in becoming more welcoming, as well as initiate meaningful engagement with patients, families and the public.
- A Family Engagement Framework was developed to gain additional perspective and public input on planning and decisions relating to programs and services for children with complex needs.

Patient Navigator for Stroke Care

- A new Provincial Stroke Navigator was hired to support and help guide survivors and their families during their post-stroke journey.

Senior Friendly Hospitals

- The Senior Friendly Hospitals Project was implemented in four medical units, focusing on early assessment and mobilization of seniors during hospitalization. Educational materials for staff, patients and their families were developed and a plan for distribution has been created.

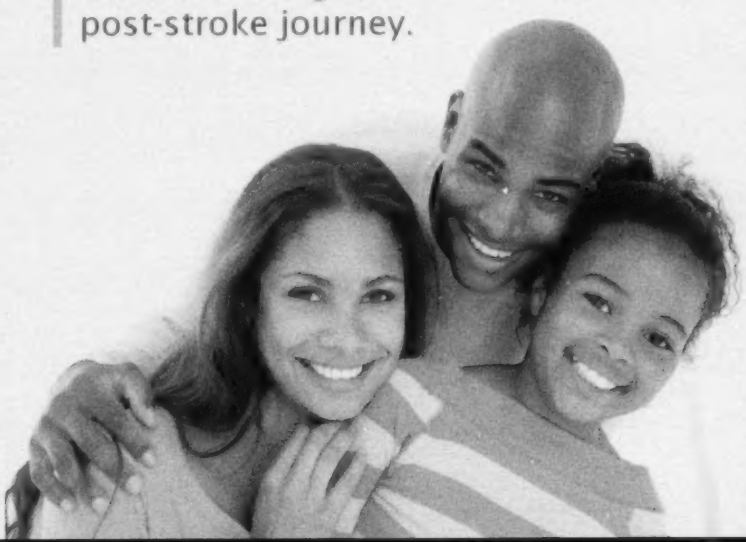
Collaborative Model of Care

- The Collaborative Model of Care (CMoC) initiative was completed and has led to an increase of more than 150,000 patient care hours and more beds being kept open across the province. The CMoC is about health care providers working together in a collaborative environment where they will have the opportunity to use their skills, knowledge and training to deliver safe, high-quality health care.

Patient and Family Representatives and Advisors

- Patients are sharing their perspectives as representatives and advisors on Quality Improvement Teams and the Provincial Cancer Coordination Steering Committee.

A new Provincial Stroke Navigator was hired to support and help guide survivors and their families during their post-stroke journey.



Prenatal Care Transition

- Prenatal care was transitioned from obstetrics and gynecology specialists to family physicians and nurse practitioners across the province. This helped increase access to these specialists for gynecological issues. Specialists will continue to play an important role in the third trimester and high-risk pregnancies.

Patient Rights and Responsibilities Policy

- Information cards and posters were developed for distribution to Health PEI primary care sites.

www.healthpei.ca/patientrights

Patient and Family-Centered Care Steering Committee

- A committee consisting of patient/families and staff was established to develop and support the implementation of a provincial strategy to strengthen the patient experience, and build a culture of person and family-centered care. This includes increased engagement/input among staff, patients and families in the overall planning; delivery; quality improvement; and evaluation of programs and services.

Prenatal care was transitioned from obstetrics and gynecology specialists to family physicians and nurse practitioners across the province.

Screen for Distress

- The PEI Cancer Treatment Centre in partnership with the Canadian Partnership Against Cancer, has increased its support of patients during cancer treatment. With the help of a new screening tool for distress, patients are connected with additional supportive care and services that reduce distress, such as pain, anxiety, nausea and information.

Community Outreach

- The East Prince Primary Care Network is working with the community of Kinkora to plan for, and establish, satellite services in primary care.
- A new Long-Term Care (LTC) survey for residents and families was developed and administered to promote engagement, service delivery, planning and evaluation.

Mental Health and Addictions

- Significant improvements have been made to the recovery approach and the welcoming atmospheres for patients and staff at various mental health and addictions service locations across the province.

Our family has benefited from the PEI health system many times over the years; however, I wish to acknowledge the excellent care that our four year old received from the Pediatric Unit at the QEH in Charlottetown. What could have been a potentially traumatic or stressful first experience for him in the hospital was instead one where he developed trust in doctors and nurses who helped him get better. The unit's Child Life Specialist was a large influence on his positive experience. My wife and I thought it was a brilliant idea to have this resource working in Pediatrics. This specialist helped my son feel more comfortable about medical procedures, and explained what was going on in a child-friendly manner. From distracting him while nurses took blood, to helping him wheel his IV pole down to the playroom, she helped eliminate some negative and potentially scary situations for our son. While he does remember getting "that pokey-thing" (the IV) in his arm, he also still remembers the awesome play-doh kit he was given. We thought she was very skilled and feel grateful that Health PEI provides this wonderful service that emphasizes the power of play to our littlest Islanders.

Sean O'Keefe
Stratford, PEI

Objective 1.3

Promote improved health outcomes through prevention and education

Integrated Chronic Disease Prevention and Management

Pilot Pulmonary Rehabilitation Program

- A pilot Pulmonary Rehabilitation Program (exercise and education) for patients with chronic lung disease was introduced in Charlottetown in partnership with the University of Prince Edward Island (UPEI).

Diabetes

- Implementation of the *PEI Diabetes Strategy 2014-2017* continued in 2015-2016. Diabetes prevention programs were piloted in locations across the province. In addition, the medication coverage under the province's Diabetes Drug Program was expanded, and a one year temporary Nurse Practitioner was hired for the Provincial Diabetes Program to provide care to people living with diabetes who do not otherwise have a primary care provider.

> Expansion of diabetes medication access for people living with diabetes.

- The Foot Care Screening Pilot Project was completed in June 2015 and funding was secured for a Provincial Nursing Clinical Leader for skin and wound care.
- A Provincial Optometry Program began in August 2015. Islanders now have diabetic retinopathy screening covered when performed by optometrists which improves access to Ophthalmology Services for more severe/complex eye conditions.

Cancer

- The *PEI Cancer Strategy 2016-2019* was presented to government and provides direction for action in all areas of the cancer control continuum.
  - Patient/Family Advisors were recruited for the Provincial Cancer Coordination Steering Committee and Action Groups
  - Provincial Cancer Surveillance Epidemiologist was hired
  - Clinical Pharmacist for Oncology was hired
  - Provincial Cancer Coordinator was hired

www.healthpei.ca/cancercare

Breast Cancer Navigational Guide

- *One Step at a Time: The pathway through breast cancer* was developed in collaboration with cancer survivors, the Canadian Breast Cancer Foundation, the Canadian Cancer Society and other health care providers to support people diagnosed with breast cancer.

Cervical Cancer Screening

- Cervical Cancer Screening Services were expanded to increase access to Pap testing for women across Prince Edward Island.

Stroke

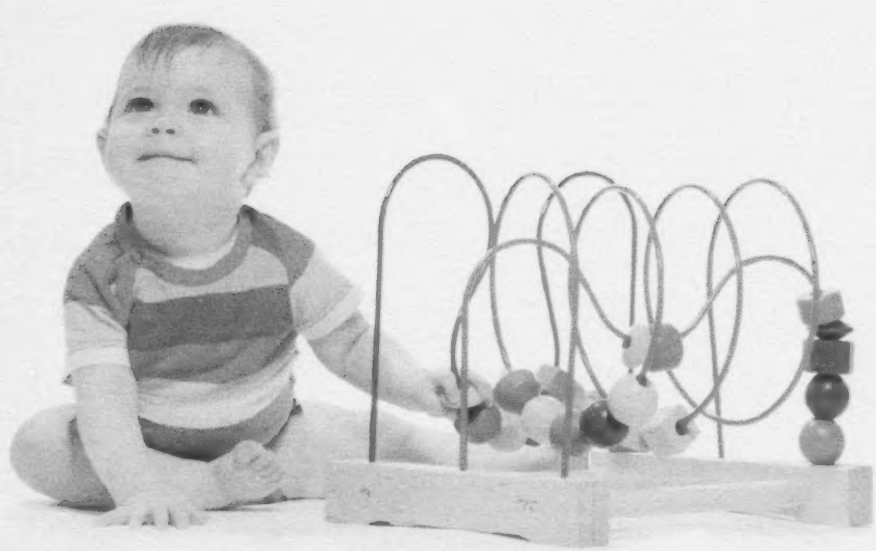
- To better support stroke survivors at home, implementation started for Phase III of the Organized Stroke Care Program with a focus on community reintegration:
  - A Patient Navigator was hired to work in the community to bridge the hospital-to-home transition and to navigate services offered in the community.
  - A new Stroke Respite and Rehabilitation Pilot Program was initiated in partnership with Home Care, offering supports to stroke survivors and caregivers as they return to their homes and communities.
  - A Stroke Rehabilitation Assistant was hired for Kings County.

www.healthpei.ca/stroke

Public Health Nursing

- The New Beginnings Program was launched and has been fully implemented, providing standardized and consistent support for families with new babies for the first eight weeks of an infant's life.
- Public Health Nursing led the delivery of community-based clinics for influenza vaccines across PEI.
- Public Health and Family Nutrition (PHFN) and Public Health Nursing partnered to incorporate NutriSTEP® and Toddler NutriSTEP® into the standard screening practice of the 18-month and 4-year Child Health Clinics at Public Health Nursing offices across PEI.

> The New Beginnings Program was launched to support families with new babies during their first eight weeks of life.



Objective 1.4

Foster a healthy work environment

Leadership Pathways

- The LEADS in a Caring Environment competency framework continued to be integrated into job descriptions, leadership performance and development plans.
- Over 13 Health PEI Board walking tours were carried out, and focused on engaging with frontline staff about the quality and safety of services offered.
- Frontline Code of Conduct training was implemented for team training and development.
- Over 300 members of the public and staff provided input into Health PEI's 2016-2019 Strategic Plan through group discussions and surveys.

Leadership Development Series

- Twenty-one Leadership Development Workshops were delivered across the province with a total of 212 staff participants. Examples include risk management, quality improvement practices, and program development and evaluation.

Clinical Nurse Leader Education

- Twenty-eight Clinical Nurse Leaders are presently undertaking leadership education through UPEI. This education incorporates the LEADS framework.

The Leadership Development Workshop Series offers an opportunity for staff to come together to build on their skills and knowledge that will help them in their daily business operations. It is also a great opportunity to educate leaders of the organization on required organizational practices, quality and quality improvement.

Health PEI Staff

Workplace Resilience

- Health PEI and the Worker's Compensation Board developed a partnership and identified wellness initiatives, safety culture and return to work/disability management approaches a key objectives for Health PEI's strategic work plans.
- An Integrated Disability Management Team was formed to develop a Workplace Wellness Strategy.
- Workshop training continued to be offered on Bully-Free Workplaces, Code of Conduct, team development and addressing at-risk work-places. The organization developed customized training and tools to ensure the maintenance of healthy workplaces.

Effective Service Delivery

- Health PEI initiated a review of human resources, which included an analysis of best practice industry delivery models, and a gap analysis and recommendations. A planning process has been undertaken to define key strategies, deliverables and metrics in order to advance human resource service delivery.

Access

Through different public consultations, surveys and on-line feedback, Islanders identified better access to services as a top priority for improvement in the care we provide.

Access to services extends beyond access to a family doctor's office; it includes access to mental health professionals for adults, children and new mothers, public health nurses, nurse practitioners and improved wait times for different procedures. Improving access to the right provider, in the right place and at the right time continues to be our focus.

In 2015-2016, we worked to enhance access to primary care, mental health and addictions services, and address the needs of different populations such as newcomers and seniors.

Areas of Focus

Reduce wait times in priority areas

Improve access to care for specific populations

I wish to express how pleased we are with the care given to my grandmother at Wedgewood Manor. Over the past three years, the nurses and resident care workers have treated us as an extended family. There has always been an openness to discuss issues and a level of honesty that gives us a very warm feeling. In our daily visits, we have never seen anything that we would question as not being right, and have experienced a level of love towards the residents that you would normally find in a loving home. The facility is kept spotless at all times. We have never lost any laundry and the meals are always of high quality. In fact, we have seen the staff prepare special meals if a resident does not like what is on the daily menu. I know that my grandmother has a very good quality of life and is treated with respect and dignity. Thanks to all who care for her.

John Mellish
New Annan, PEI

Objective 2.1

Reduce wait times in priority areas

Primary Care Providers

- Five family physicians took part in an Advanced Clinical Access (ACA) project in an effort to reduce wait times for appointments. Clinical efficiencies were implemented and wait times were reduced. The next round of ACA projects will include nurse practitioners.
- An Optometry Program launched providing patients with coverage for testing and conditions including: diabetic retinopathy, screening of dry eye and red eye by optometrists.

Mental Health and Addictions Services

- Child and youth mental health access was expanded through the use of tele-counseling and a distance coaching approach with the Strongest Families®. To date, 130 families were referred to this program.
- Twenty-one Community Mental Health staff were trained in the Triple P Parenting Program and the program is now offered in several locations.
- Improvements have been made within Health PEI's pre/postnatal care to develop targeted treatment strategies and education related to Neonatal Abstinence Syndrome.
- Preliminary planning began for the introduction of a universal screening tool for postpartum depression.
- Primary Care, Public Health Nursing, and Community Mental Health and Addictions are working together to improve access to prenatal and postnatal care. They are increasing screening, intervention and access to treatment for mothers experiencing mental health conditions and those at risk of harms related to substance use.

  As a result, additional training in maternal mental health using the Mother's Mental Health Toolkit was provided to public health nurses and community mental health staff to enhance skills in identifying and supporting mothers with postpartum depression and anxiety.
- The Strength Program for youth and their families was relocated to Summerside, and expanded its residential aftercare and mental health therapy capacity. In 2015-2016, there were 78 admissions (62 distinct individuals) to the program with 88 per cent of clients presenting with mental health issues. Thirty-nine clients graduated from the program.
- Planning and development work for the new Youth Mental Health Day Treatment Program was carried out as a part of adolescent mental health programs.

www.healthpei.ca/mentalhealth

- An adult service project was implemented at Richmond Centre in Charlottetown. Results include a 50 per cent reduction in the wait time to speak with the intake clinician and a 33 per cent reduction in the wait time to schedule an appointment once the referral is received. For children's intake, the wait time from referral to first appointment was reduced by an average of five days during the project. Going forward, work will focus on sustaining these improvements.
- An evaluation was completed on the collaborative shared care model pilot between Primary Care and Community Mental Health in Montague to inform future roll-out across the province. Funding for a Program Coordinator was confirmed.
- Training has been provided to staff in order to improve the appropriateness and efficiency of referrals to adult addictions services.
- Health PEI received funding from Health Canada to increase integration between Mental Health and Addictions; increase the capacity of staff in the areas of client engagement and motivation; response to early psychosis; trauma informed treatment and trauma specific care; and increase national and regional collaboration and partnerships.
- A plan was developed to combine the Transitions Unit and Inpatient Withdrawal Management Unit at the Provincial Addictions Treatment Facility to increase flexibility and better meet client needs. Indicators show this has been effective in reducing wait times for services. The Transition Unit has been operational for one year and continues to adjust and change to respond to the complex needs of clients.

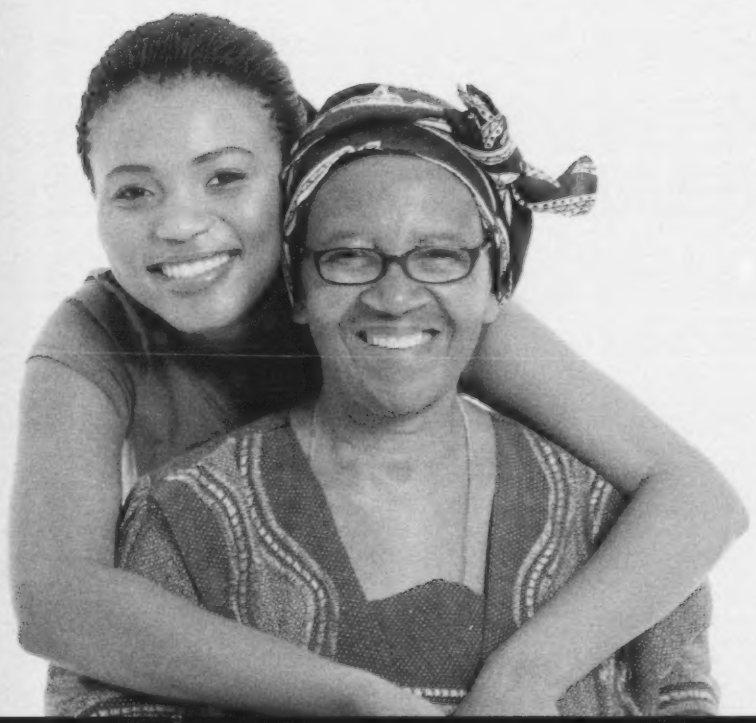
www.healthpei.ca/addictions

Cancer Diagnostic Pathways

- Patient experiences were measured from suspicion to diagnosis and treatment of lung and breast cancers. The cancer action groups have used this information to set targets to reduce time from suspicion to treatment. Initiatives will take place to reduce wait times over the next three years.

Long-Term Care

- Preliminary results indicate significant success from the Restorative Care Unit at the Prince Edward Home: 87 per cent of clients were able to return back to a community setting and 3,900 patient days were diverted from hospital.



Elective Surgical Services

- Health PEI continues to monitor surgical wait times and is currently reviewing diagnostic imaging results to identify opportunities for improvement. Hip fracture wait times are also being examined, as they were identified in the 2015 Canadian Institute for Health Information (CIHI) report as an area for improvement.
- Cataract surgery wait times have been improved. Eighty-seven per cent of the cataract surgeries completed were within the access standard of 16 weeks compared to 63 per cent in 2014-2015.

Emergency Services

- To ensure consistent data collection and establish provincial benchmarks, Health PEI has entered into a partnership with the New Brunswick Trauma Program to develop a Provincial Trauma Registry and has hired a Registered Nurse to coordinate PEI's Trauma Program.
- An overcapacity protocol was developed at the Queen Elizabeth Hospital to improve patient flow from the emergency department to inpatient units.
- A Pharmacy Technician was added to the emergency department at Prince County Hospital to support medication reconciliation.
- Health PEI partnered with Island EMS to implement a Computer Assisted Dispatch (CAD) system which enhances the monitoring and deployment of ambulance resources.
- An additional ground ambulance was added to the provincial fleet to improve ambulance response times. These response times are reported quarterly and include the total number of ambulance calls from across the province.

Enhanced emergency health services with new dispatch technology and an additional ground ambulance, improving response times and the deployment of resources.

www.healthpei.ca/ambulanceservices

Objective 2.2

Improve access to care for specific populations

Frail Seniors with Complex Health Needs

- As a joint initiative between Kings Home Care, Primary Care Network and the Geriatric Program, the Caring of Older Adults in the Community and at Home (COACH) pilot addresses the needs of frail seniors while connecting them to the right services to help them remain at home. Visits to the emergency department for participants decreased by approximately one third, inpatient admissions decreased by two thirds, and primary care visits for participants were reduced by half. The COACH initiative will be rolled out across the province.
- A partnership development project between the Geriatric Program and the emergency departments was implemented. A pilot trialed the use of the Identification of Seniors At Risk Screening Tool (ISAR Screening Tool) with seniors presenting at the Queen Elizabeth Hospital (QEH) Emergency Department.
- A pilot project between the Geriatric Program and Primary Care helped identify frail seniors presenting to primary care through the use of the PRISMA (Program of Research to Integrate Services for the Maintenance of Autonomy) screening tool. This took place in various primary care sites in East Prince.

Aboriginal Populations

- Continued partnership with the Health Policy and Planning Forum (HPPF) to improve access to primary care services for First Nations.
- Health Canada funding helped develop a training package on Aboriginal Cultural Competency for Health PEI clinicians; and, a formalized training plan to integrate First Nation Health Centre clinicians into chronic disease prevention and management training.

Children with Complex Needs

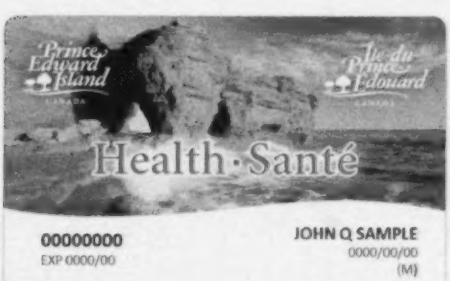
- New staff investments were made in ambulatory care and community-based programming. Benchmarks and wait times have improved. For example, wait times for Autism Spectrum Disorder assessments for preschoolers dropped from 22 to 9 months.

Autism Spectrum Disorder assessment wait times for preschoolers reduced from 22 months to 9 months.

- Standards of Care for Children with Complex Needs were rolled out across Health PEI.
- The development of a collaborative Feeding Team Pilot was initiated with the plan to implement during 2016-2017. This supports children with significant feeding issues through the use of best practice and a multi-disciplinary team.

French Language Services

- Language data was collected through a survey completed by PEI residents. The survey was linked to each provincial health card holder in order to obtain accurate information of language preference and health system use by the Island Francophone population. A new bilingual PEI Health Card was launched in February 2016.



- Planning for expansion of bilingual health services in Long-Term Care has begun.

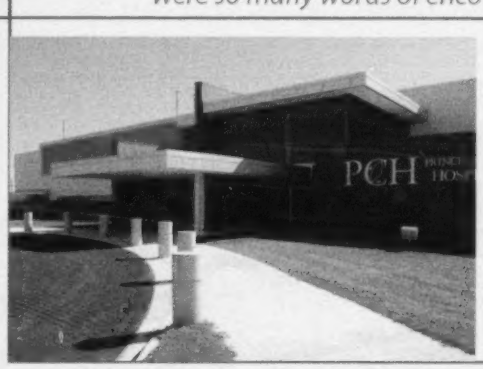
- Work is underway on the implementation of the recommendations from the *French Language Services in Home Care 2013* report to make Home Care more accessible to French speaking clients.

- In partnership with the Canadian Mental Health Association (CMHA), the Island Helpline website was launched in the fall of 2015. Promotional items are available in both official languages and have been distributed to various stakeholders.

The bilingual Island Helpline website launched in fall 2015.

The Island Helpline
1-800-218-2885
Ligne d'écoute de l'Î.-P.-É.

I was admitted to PCH with cellulitis and went into respiratory arrest because of an irregular heartbeat, and my weight at 720 lbs. The staff exhibited warmth, cleanliness, sense of humour, knowledge and most of all never once did they make me feel uncomfortable because of my size. I had access to a dietitian, addiction counselor, psychiatrist, psychologist, clergy, social worker, respiratory therapist, physiotherapist, occupational therapist and excellent kitchen staff. Everyone was a cheerleader and did everything they could to keep me motivated and on the right path to success! There were so many words of encouragement and I knew they sincerely cared for me and wanted me to succeed! I believe these heart-warming health care workers brought obesity awareness to the PEI health system because of my long stay and special needs. I have lost 359 lbs because of the excellent staff at PCH. They saved my life! PCH staff went above and beyond to ensure I had the proper care and more. I will continue to make them proud.



Karen Ann MacLean, Summerside, PEI

Newcomer Populations

- A refugee's Public Health clinic was relocated to the PEI Association of Newcomers to Canada office and will be offered once a month. Other newcomer Public Health clinics are also offered in the Charlottetown Public Health office twice monthly.
- Primary Care clinics for newcomers were provided to develop treatment plans for pre-existing conditions, screen for communicable diseases, order medications and register for a family doctor.
- Health PEI collaborated with the Chief Public Health Office and the PEI Association of Newcomers to Canada through an inter-departmental working group on immigration and settlement to better provide coordinated public health services to PEI's newcomer population.
- Public Health and Children's Developmental Services partnered with the education system to plan for the health and educational needs of newcomer children. Public Health began gathering language data on all children in an effort to mutually plan for the needs of newcomer children.

Paramedics Providing Palliative Care at Home Program

- Launched in December 2015, this new program allows palliative care patients to receive after hours care in their own home with their family close by. Highly trained paramedics are able to provide patients with pain and symptom management at home. Palliative care patients have access to the care they need, when they need it and in a way that is respectful of their end-of-life wishes. Palliative enrollments for the program totalled 254 patients from across the province with 41 calls to paramedics received.

Vulnerable Populations

- On October 1, 2015, the new Generic Drug Program launched giving Islanders access to more affordable medications. The program is open to all Island residents under the age of 65 who have no private drug coverage and a valid PEI Health Card. The Generic Drug Plan caps the maximum price for more than 1,000 generic drugs on the formulary at $19.95, with the exception of diabetes drugs which are covered under another plan and controlled substances such as narcotics. As of March 31, 2016, there has been 11,729 Islanders register with the Generic Drug Program.

www.healthpei.ca/genericdrugs

- The Language Interpretation initiative continued to ensure that health care providers across the Island had 24/7 telephone access to professional interpreters for more than 40 languages.

Efficiency

With rising health care costs; changing population demographics, including age and health status; recruitment challenges and new technological advancements; we have to work efficiently to continue to provide high quality care that is both sustainable and accessible to all Islanders. To provide care that is seamless and centered around patients and their families, we have to utilize new technologies, look at how we manage our hospital and long-term care facilities, and ensure that a patient's transition from hospital to home goes smoothly and does not result in unplanned re-admissions to hospital.

Over the last year, we have made significant progress in various areas of efficiency. We have implemented electronic discharge planning to provide information on such things as follow-up appointments and prescriptions to patients leaving the hospital. In addition to this, we have also explored how to manage our hospital beds electronically and have implemented a program for patients with congestive heart failure where they are monitored at home by a nurse using specialized technology.

Areas of Focus

Utilize technology

Improve management of bed utilization

Improve the coordination of care across the continuum of health services

Effective resource management

The care I receive for my celiac disease at Western Hospital is nothing but the best. I meet with my Nurse Practitioner every six weeks to discuss my diet and any health issues that arise. Rather than tie up physician time unnecessarily, I see the Nurse Practitioner more often and it works great. This is the best thing I was ever introduced to at Health PEI and the care goes beyond expectation.

Mary McGrath
Norway, PEI

Objective 3.1

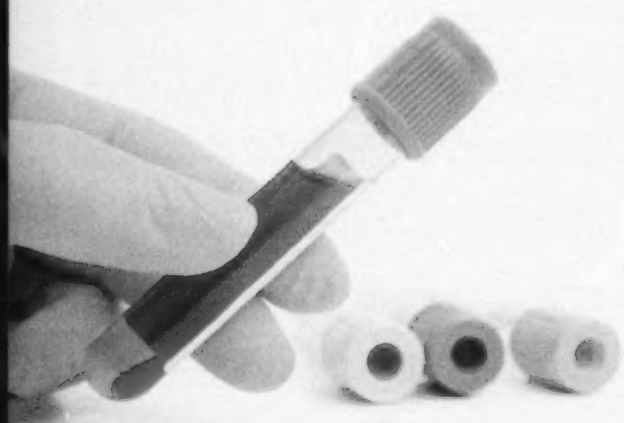
Utilize technology to improve the quality, safety and continuity of care

Electronic Health Record

- A provincial discharge planning process from hospitals was implemented in the Clinical Information System (CIS) in July 2015. The new standardized electronic documentation has also allowed for access to the patient discharge instructions by primary care physicians/nurse practitioners (NP) and other health care providers both within and outside Health PEI's acute care facilities.

Remote Patient Monitoring for Heart Failure

- The Remote Patient Monitoring for Heart Failure Program (RPM) enrolled the first patient in November 2015. Islanders with heart failure are referred from hospital or primary care to have their vital signs monitored from their home by nurses who use specialized technology. RPM alerts the nurse to any changes in the patient's condition. Adjustments are guided by the family physician or nurse practitioner. RPM for Heart Failure is starting to show reduced hospital use, while improving quality of life.



Laboratory Services

- Laboratory Services Electronic Synoptic Pathology Reporting Initiative (ESPRI) includes implementing a program to advance the consistency of information collected and to eliminate duplication of paper and electronic laboratory patient charts. All pathologists have started using the 27 templates developed through ESPRI.
- An upgraded report distribution system was implemented, permitting automated distribution of scanned paper reports.
- Upgrading started on existing Anatomical Pathology Synoptic report templates to College of American Pathologist (CAP) standards and Canadian Partnership Against Cancer (CPAC) standards for enhanced reporting of data. The purpose is to achieve standards in reporting, consistency among pathologists and to strengthen our ability to monitor quality indicators locally/nationally.
- The PEI Cancer Registry with support from CPAC and Cancer Care Nova Scotia, is enhancing information collection, monitoring and reporting of cancer treatment to include information from the Drug Information System and other treatment data systems.

www.healthpei.ca/laboratoryservices

Objective 3.2

Improve management of bed utilization across the system

Patient Flow

- A Medworxx Throughput Review was conducted to explore preliminary data to improve patient flow.
- An international jurisdictional review on Patient Flow was conducted by Health PEI and included more than 75 health authorities. A more in-depth review of 13 Canadian health authorities was conducted because of their leadership in patient flow or resource utilization strategies.
- A Patient Flow Forum was held in Charlottetown to engage clinical and administrative stakeholders.
- A three-year Patient Flow Strategy was developed to improve patient flow across PEI's hospital and community-based health services.

Homelessness Partnership

- As part of the federal Homelessness Partnership Strategy, Health PEI Mental Health and Addictions worked with the Canadian Mental Health Association on the *My Place/ Housing First* initiative. This program moves patients to stable, sustainable housing, improving a key social determinant of health, and thus reducing their need for health services.

Better Health and Lower Costs for Patients with Complex Needs

- An initiative for patients with complex needs identifies high users of the health care system and applies a case management approach to improve their health, care experience and cost, including consideration of the social determinants of health (e.g. income, education).

Health PEI has collaborated with the Canadian Mental Health Association on the *My Place/Housing First* initiative for homelessness.

Objective 3.3

Improve the coordination of care across the continuum of health services

Alternative Level of Care

- The Alternative Level of Care policy, standards and practices were reviewed and work is continuing to improve coordination of services.

Integrated Chronic Disease Prevention and Management

- Through the INSPIRED Program, a bridge program was implemented for COPD (Chronic Obstructive Pulmonary Disease) patients to help with the hospital-to-home transition. The program was implemented province-wide.

www.healthpei.ca/icdpm

Home Care

- A Provincial Home Care Business Case Plan was developed (*Enabling Health Care SustainABILITY for Islanders, A Case for Change: Advancing Home Care Services in PEI*) with a focus on three priority populations within home care services: frail seniors, palliative care and post-acute patients.
- *Timely Transitions* collaborative between Queens Home Care and the Queen Elizabeth Hospital improved information sharing and communication between these sectors as patients transitioned to and from hospital. The collaborative partnership resulted in a decrease in the hospital length of stay for Home Care clients.

I am very pleased to participate in the INR program; which is a community-based Primary Care Program that regularly monitors my blood levels and adjusts my medications to support my health. Besides having Factor V Leiden, I am recovering from cancer and it is wonderful to know this program is there for me. It greatly minimizes the worry. I have the choice to receive the INR service from two clinics in the Charlottetown area. It is truly a peace of mind for me, my husband and family to know that my blood levels are being monitored and adjusted as needed. When my energy is low, I can have iron or creatinine level tests done. I can call the service when needed and the nurses and admin staff are there to support me. I really appreciate Primary Care as it helps to keep me out of the hospital and feeling healthier.

Julie Jackson
Bethel, PEI

Objective 3.4

Effective resource management

Audit Policy

- An audit policy was developed for claims, monitoring and compliance to ensure accountability and efficiency with resource management.

Human Resources

- The Attendance Management Policy was fully implemented and provides a consistent process for supporting all Health PEI employee attendance. As a result, the number of sick hours has decreased by 13.2 per cent.
- The *Health PEI Human Resources Strategic Plan (2016-2019)* was developed with a focus on strengthening workforce capacity, fostering engagement and empowerment, talent management and building organizational success through Human Resource leadership.

Contracts

- Work continues on the Organization Supply Chain Strategy with the development of a policy for contracts to standardize processes across the province.

Laboratory Testing Utilization

- The Physician/Nurse Practitioner Laboratory Testing Utilization Policy was implemented and regular reporting will be used to continue identifying efficiencies and utilization practices.

Diagnostic Imaging Utilization

- The Choosing Wisely® campaign was implemented to help health care providers and patients make informed decisions about diagnostic tests. Provincial Diagnostic Imaging Service staff have created tools to assist health care providers with the decision-making process when ordering diagnostic tests.
- A report card on the ordering rates for 10 highly ordered exams is being shared with physicians so that ordering practices align with best practices and reduce wait times for these exams.

www.healthpei.ca/diagnosticimaging

> The Choosing Wisely® campaign was implemented to help health care providers and patients make informed decisions about diagnostic tests.

2015-2016

Financial Highlights

This section of the Annual Report highlights the organization's operations for the fiscal year ending March 31, 2016. This financial section should be read in conjunction with Health PEI's audited financial statements (Appendix C).

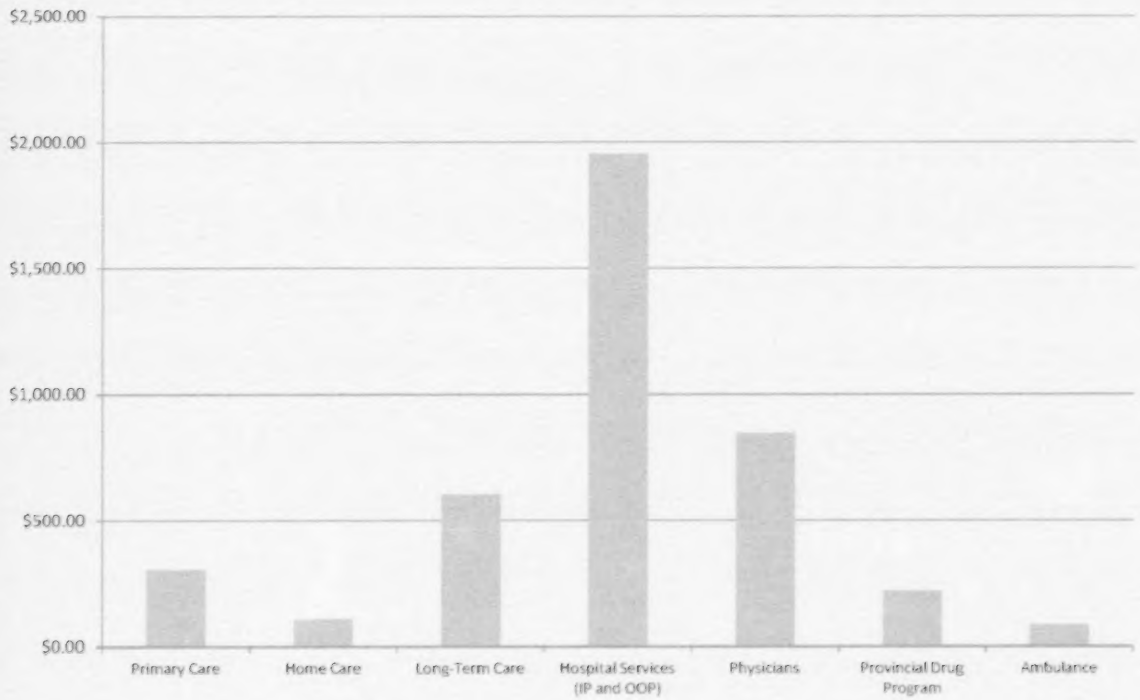
Operating Activities	
Revenues	$ 613,327,745
Expenditures	$ 625,910,990
Subtotal - Operating	$ (12,583,245)

Capital Activities	
Revenues	$ 9,156,480
Amortization	$ 16,404,155
Subtotal - Capital	$ (7,247,675)
Annual (Deficit) Surplus	$ (19,830,920)

Expenses per Capita

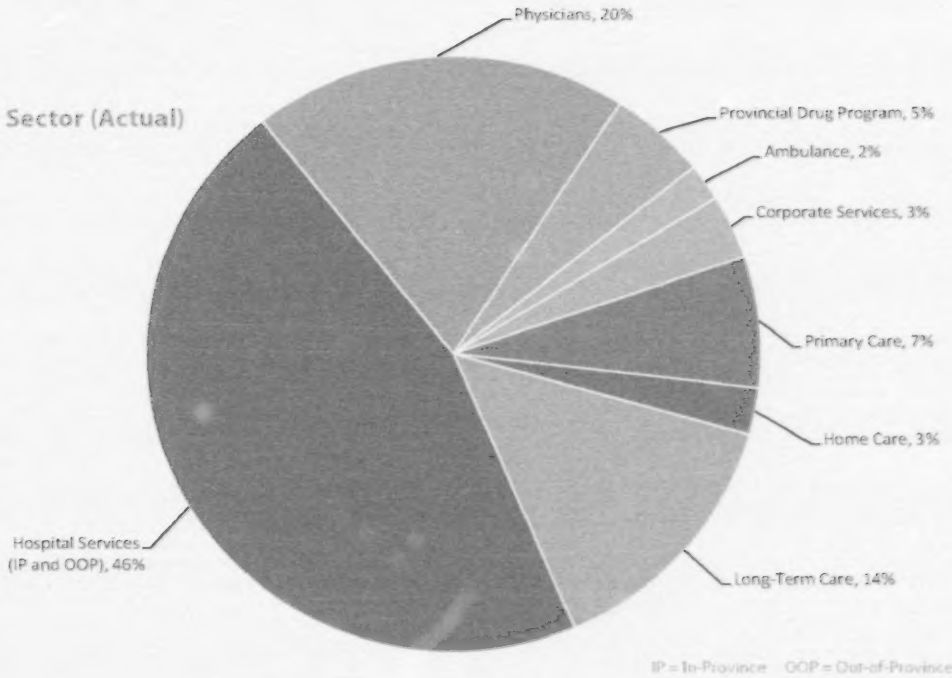
Budgeted spending per capita highlights the Provincial Government's health expenditure by use of funds divided by the population. This indicator allows Health PEI leadership to target and track service enhancement and better control spending in specific areas. Targets are set based on anticipated areas of growth or projected needs for additional resources to meet the needs of Islanders.

2015-2016 Expenses per Capita (Actual)



IP = In-Province OOP = Out-of-Province

2015-2016 Expenses by Sector (Actual)



IP = In-Province OOP = Out-of-Province

Expenses by Sector

Primary Health Care and Provincial Dental Program – expenses relating to the provision of primary health care by nursing and other health care providers including community primary health care, community mental health, addiction services, public health services and dental programs.

Home-Based Care – expenses relating to the provision of home nursing care and home support services.

Long-Term Care – expenses relating to the provision of long-term residential care including palliative care.

Hospital Services – expenses relating to acute nursing care, ambulatory care, laboratory, diagnostic imaging, pharmacies, ambulance services, the clinical information system, renal services and out-of-province medical care for Islanders.

Physicians – expenses relating to services provided by physicians and programs for physicians including primary health care, acute medical care, specialty medical care and the medical residency program.

Provincial Drug Programs – expenses relating to the provision of pharmacare programs including the Seniors Drug Cost Assistance Program, Social Assistance Drug Cost Assistance Program and High Cost Drugs Program.

Ambulance – expenses relating to the contracting and provision of emergency medical services.

Corporate and Support Services – expenses relating to the provision of centralized, corporate support services including: strategic planning and evaluation, risk management, quality and safety, human resource management, financial planning and analysis, financial accounting and reporting, materials management, and health information management.

2015-2016

Organizational Structure

*As of November 2015, Health Information Management moved under Corporate Services & Long-Term Care

2015-2016

Health PEI by the Numbers

Employees	2013/14	2014/15	2015/16
Nursing (NPs, RNs, LPNs, RCWs & PCWs)	1,647	1,687	1,725
Administration and Management	192	198	200
Lab Technicians	220	176	176
Secretarial/Clerical	264	284	287
Utility Worker/Service Worker	369	387	383
Other Health Professionals and Support Staff	1,003	1,063	1,093
Medical Staff			
Family Physicians	120	120	120
Specialists	103	100	104
Residents	10	10	10
Hospital-Based Service Volumes Across Health PEI			
Emergency Visits	95,326	92,222	93,103
Operative Cases (acute care)	3,653	3,621	3,680
Operative Cases (day surgery)	6,483	5,670	5,604
Inpatient Days (excludes Hillsborough Hospital)	140,766	139,350	133,640
Admissions (excludes Hillsborough Hospital)	15,287	15,471	14,978
Average Length of Stay (days) (excludes Hillsborough Hospital)	9.32	9.08	8.73
Number of Diagnostic Imaging Exams	143,809	141,545	143,532
Number of Tests Processed by Laboratory Services	2,188,040	2,202,936	2,268,043
Hospital-Based Mental Health Services Inpatients	1,093	981	935
Long-Term Care			
Occupancy Rate (public manors only)	99.0%	98.2%	97.2%
Number of Long-term Care Admissions	256	272	244
Number of Long-term Care Beds (public facilities only)	595	598	598
Number of Long-term Care Facilities (public facilities only)	9	9	9
Average Length of Stay (years) (public manors only)	2.9	2.6	2.6
Home Care			
Number of Clients Served by Home Care	4,449	4,192	4,213
Number of Home Care Clients that are 75+ years old	2,461	2,316	2,261

www.healthpei.ca/bythenumbers

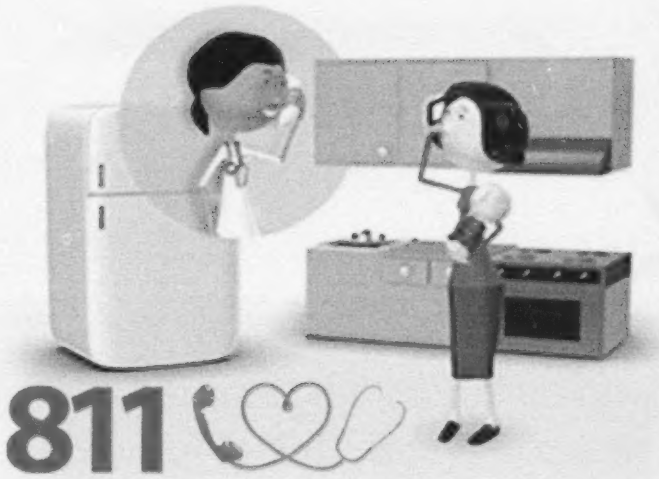
PEI Cancer Treatment Centre	2013/14	2014/15	2015/16
Radiation Therapies and Simulation Visits	8,192	9,600	8,690
Medical Visits	14,862	17,197	17,654
Radiation Consults and Follow-ups	3,418	3,579	3,291
Medical Consults and Follow-ups	4,277	4,608	5,332
Primary Health Care Statistics			
Community Mental Health Provincial – Referrals	5,118	5,413	5,000
Community Mental Health – Crisis Response	1,107	1,560	1,461
Addiction Services – Total Admissions	3,402	3,013	3,009
Speech Language Pathology Program Referrals	582	574	702
Audiology Referrals	484	396	464
Immunization Rate (2 years old fully immunized)	87%	85%	89.4%
Visits to Primary Care Health Centres	85,316	78,312	67,180
Primary Care Health Centres – Number of distinct clients	20,414	20,277	19,061
Provincial Diabetes Programs – Number of distinct clients	3,163	3,642	3,957
Provincial Diabetes Programs – Total visit count	13,998	14,997	18,444
Provincial Diabetes Programs – Total number of referrals (Pediatric Type 1 & 2; Adult Type 1 & 2; Gestational Diabetes)	1,562	1,592	1,537
Public Health Dental Program – Number of children who received dental treatment	4,535	4,486	4,581
Public Health Dental Program – Number of children who participated in the school-based prevention program*	12,761	13,347	12,631

** The school numbers run with the school year that is recorded from July 1 to June 30. The school year starts in the summer because clinics run in some schools during that period.*

Appendix A
Strategic Performance Indicators

Objective		Measure
Goal - Quality		
Ensure appropriate patient safety standards are met		Hospital Standardized Mortality Ratio (HSMR)*
		Adverse events for incident severity levels 4 & 5 per 1,000 patient days – acute and extended care*
		Adverse events for incident severity levels 4 & 5 per 1,000 patient days – long-term care*
Embed the philosophy of person-centered care		Patient survey - percent patients who rated their overall hospital stay as greater than or equal to 9 out of 10
Promote improved health outcomes through prevention and education		Participants in the diabetes program with an A1C of ≤ 7 %
		Percent participation of population aged 50 to 74 years old in colorectal cancer screening program within the past 2 years[1]
		Ambulatory Care Sensitive Conditions (ACSC) discharges per 100,000 under 75 years*
		Number of PEI residents who received influenza vaccine in Health PEI community clinics[2]
		Percent of children born in PEI immunized under the age of 2
		Employee survey – percent employees who responded favourably to the question "overall, how satisfied are you with your job"[3]
Foster a healthy work environment		Sick days per budgeted full-time equivalent
Goal - Access		
Reduce wait times in priority areas	Primary Care Provider	Utilization of QEH emergency department for triage levels 4 and 5*
		Utilization of PCH emergency department for triage levels 4 and 5*
		Utilization of KCMH emergency department for triage levels 4 and 5*
		Utilization of WH emergency department for triage levels 4 and 5[4]
		Wait times to access primary care physician[5]
	Mental Health Services	Youth clients seen by community mental health services within current access standards[6]
		Adult clients seen by community mental health services within current access standards[6]
	Addiction Services	Wait time for inpatient withdrawal management[6]
		Wait time for outpatient withdrawal management[6]
	Long-Term Care	Length of stay in long-term care for people aged 65 and over
		Wait time in days from hospital bed to any LTC facility (public or private)
	Elective Surgical Services	Percent of cataract surgeries completed within access standard of 16 weeks
		Percent of hip replacement surgeries completed within access standard of 26 weeks
		Percent of knee replacement surgeries completed within access standard of 26 weeks
	Emergency Services	Percent of patients who left without being seen at QEH and PCH emergency department
		Percent of patients who left without being seen at KCMH emergency department
		Percent of patients who left without being seen at WH emergency department
Goal - Efficiency		
Utilize technology to improve the quality, safety and continuity of care		STAT lab tests meeting turnaround time*[7]
		Medication orders placed on-line by physicians
		Medication reconciliation completed on admission using CPOE in acute care[8]
Improve management of bed utilization across the system		Overall average length of stay in acute care facilities[9]
Improve coordination of care across the continuum of health services		Census for patient coded as alternate level of care in acute care facilities[10]
		Number of inpatients in emergency department awaiting acute care beds per day[11]
Effective Resource Management		Annual variance between budget and actual as documented in Health PEI annual financial statements - in millions[12,13]
		Over-time days per budgeted full-time equivalent

	Actual 2013/14	Target 2014/15	Actual 2014/15	Target 2015/16	Actual 2015/16
	116	≤100	105	≤100	91
	0.26	0.23	0.32	0.21	0.27
	0.1	0.09	0.12	0.08	0.11
	66%	73%	59%	80%	62%
	42%	50%	48%	60%	34%
	--	--	15%	20%	20%
	443.6	430	359.1	410	331
	21,700	21,700 ± 10%	16,817	21,700 ± 10%	14,200
	87%	87%	85%	90%	89%
	--	≥75%	--	--	--
	10.54 days/FTE	10.5 days/FTE	11 days/FTE	10.0 days/FTE	9.98 days/FTE
	39.0%	40%	37.7%	40%	38%
	41.4%	40%	42.1%	40%	38%
	52.4%	45%	53%	45%	53%
	73.1%	--	73.70%	--	73%
	--	--	21.8 days	≤ 7 days	Not Available
	53.6%	60%	23%	70%	Not Available
	67.4%	68%	57%	70%	Not Available
	8.3 days	7.5 days	3.8 days	6.5 days	Not Available
	7.4 days	5 days	5.7 days	4.5 days	Not Available
	2.7 years	2.7 years	2.6 years	2.5 years	2.6 years
	36.3 days	52.2 days	28.9 days	50.0 days	23.8 days
	46%	90%	63%	90%	87%
	77%	90%	92%	90%	86%
	62%	90%	88%	90%	90%
	8.0%	6%	7.8%	6%	7.4%
	1.4%	≤4%	1.7%	≤4%	2.3%
	2.5%	≤4%	3.5%	≤4%	3.3%
	86.2%	90%	87.6%	90%	89.9%
	--	90%	89%	90%	88%
	--	95%	86%	95%	68%
	9.1 days	7.3 days	8.78 days	7.3 days	8.44 days
	62.4	<62	54.5	<62	47.3
	10.8 patients	10 patients	9.84 patients	10 patients	5.98 patients
	$0.71	$0	$3.87	$0	($12.58)
	4.97 days/FTE	5.8 days/FTE	6.51 days/FTE	5.6 days/FTE	6.14 days/FTE



8-1-1 Telehealth

Since implemented, the 8-1-1 telehealth service has received over 25,000 calls from Islanders seeking health advice or general health information from a registered nurse. This service is free, confidential and is available 24-hours a day in over 120 languages. For those with hearing impairments, the service can be accessed by dialing 7-1-1.

Technical Notes:

[1] 2014-15 Actual includes two year screening interval: 2013-15 fiscal years. Target not applicable for 2014-15. This indicator only tracks screening rates through the colorectal cancer screening program.

[2] Program changes in the fall of 2014-15 may significantly reduce the utilization of Health PEI community clinics for influenza vaccination.

[3] Baseline data is from 2011-12. Target and result are not applicable for 2013 since survey is only conducted every 2 years.

[4] Target is not applicable at this time since the Western Hospital emergency department functions mainly as a walk-in clinic for West Prince with very few emergencies.

[5] Based on voluntary submission of physician offices. 2014-15 actuals are the baseline year for General Practitioner (GP) wait time data. Due to a low response rate in 2015-16, data returned is not representative of the population.

[6] Data for the full 2015-16 year is not available.

[7] STAT lab test turnaround times includes lab turnaround time plus the time it takes for physicians and nurses to place the order.

[8] Baseline data is from November to March 2013-14 for the QEH and June to March 2013-14 for PCH. Other PEI hospital data will be added in subsequent years.

[9] Indicator is tied to the Overall Average Length of Stay (OALoS) initiative and includes the following acute care facilities QEH, PCH, KCMH and WH.

[10] Includes the following acute care facilities QEH, PCH, KCMH and WH.

[11] Includes QEH, PCH and KCMH.

[12] Operational results only: excludes all capital grants, other capital contributions and depreciation.

[13] Refer to Note 15 in audited financial statements.

(--) indicates data is not applicable

* Definition provided in Glossary (p. 33)

Appendix B

Glossary

Strategic Performance Indicator Descriptions

Hospital Standardized Mortality Ratio (HSMR)

The Hospital Standardized Mortality Ratio (HSMR) is a ratio of the actual number of in-hospital deaths in a region or hospital to the number that would have been expected based on the types of patients a region or hospital treats.

Rate of incident severity levels 4 and 5 per 1,000 patient days for acute care and long-term care (LTC) facilities

Level 4 and 5 adverse events are very serious concerns for a health care system. It is important to ensure these events are properly tracked and handled to reduce the likelihood of them happening again. Incident severity level 4 = serious injury/damage and level 5 = death.

Ambulatory Care Sensitive Conditions discharges per 100,000 under 75 years of age

Hospitalization for an ambulatory care sensitive condition is considered to be a measure of access to appropriate primary health care. While not all admissions for these conditions are avoidable, it is assumed that appropriate ambulatory care could prevent the onset of this type of illness or condition, control an acute episodic illness or condition, or manage a chronic disease or condition. A disproportionately high rate is presumed to reflect problems in obtaining access to appropriate primary care.

Utilization Rates of emergency department for triage levels 4 and 5

High usage rates of triage levels 4 and 5 presenting to an emergency department can be an indicator of limited access to primary care services. Canadian Emergency Department Triage Acuity and Scale (CTAS) level 4 = less urgent and level 5 = non-urgent.

Percentage of STAT lab tests meeting turnaround time benchmark

Turnaround time (TAT) for STAT tests (i.e. as soon as possible) is identified by users as a quality performance indicator of the service provided by the lab and the facility as a whole.

Appendix C

Audited Financial Statements

HEALTH PEI

Financial Statements
March 31, 2016

Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

Management is accountable to the Board of Directors of Health PEI on matters of financial reporting and internal controls. Management provides internal financial reports to the Board of Directors on a regular basis and externally audited financial statements annually.

The Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards and expresses her opinion on the financial statements. The Auditor General has full and free access to financial information and management of Health PEI to meet as required.

On behalf of Health PEI

Dr. Michael Mayne
Chief Executive Officer

Denise Lewis Fleming
Chief Operating Officer

August 23, 2016

Prince Edward Island | Île-du-Prince-Édouard

Office of the
Auditor General

PO Box 2000, Charlottetown PE
Canada C1A 7N8

Bureau du
vérificateur général

C.P. 2000, Charlottetown PE
Canada C1A 7N8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Health PEI

I have audited the financial statements of **Health PEI**, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2016, and the results of its operations, changes in net debt, and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

B. Jane MacAdam

B. Jane MacAdam, CPA, CA
Auditor General

Charlottetown, Prince Edward Island
August 23, 2016

HEALTH PEI
Statement of Financial Position
March 31, 2016

	2016	2015
	$	$
Financial Assets		
Cash	-	12,316,834
Restricted cash (Note 2b)	1,252,856	891,715
Accounts receivable (Note 4)	8,615,159	5,226,297
Due from the Department of Health and Wellness	42,872,302	36,265,175
	52,740,317	54,700,021
Liabilities		
Accounts payable and accrued liabilities (Note 7)	85,262,819	81,413,180
Bank advances	1,836,124	-
Employee future benefits (Note 8)	65,883,860	58,970,197
Deferred donations (Note 2b)	1,252,856	891,715
Deferred revenue (Note 9)	382,110	287,600
	154,617,769	141,562,692
Net Debt	(101,877,452)	(86,862,671)
Non Financial Assets		
Tangible capital assets (Note 11)	234,803,520	242,145,128
Inventories held for use (Note 5)	3,824,787	3,511,427
Prepaid expenses (Note 6)	2,797,029	584,920
	241,425,336	246,241,475
Accumulated Surplus	139,547,884	159,378,804
Trusts under administration (Note 16)	807,743	750,830

(The accompanying notes are an integral part of these financial statements.)

Approved on behalf of Health PEI

Phyllis Horne
Chair, Board of Directors

Board Member

HEALTH PEI

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2016

	Budget (Note 17) 2016	2016	2015
	$	$	$
Revenues			
Grants - Dept. of Health and Wellness	586,577,300	586,577,300	577,262,681
Fees - patient and client (Note 14)	21,401,900	20,054,560	19,799,741
Food services	1,118,400	961,505	956,663
Federal revenues	607,400	819,271	246,792
Sales	921,000	794,398	771,100
Other	1,179,900	4,120,711	1,762,265
Operational Revenues	611,805,900	613,327,745	600,799,242
Capital grants - Dept. of Health and Wellness	5,401,700	5,229,019	7,124,300
Other capital contributions	3,429,600	3,927,461	3,390,484
Capital Revenues	8,831,300	9,156,480	10,514,784
	620,637,200	622,484,225	611,314,026
Expenses (Note 18)			
Community Hospitals	22,295,900	22,734,147	22,121,082
Acute Care	164,057,200	167,018,100	163,293,431
Addiction Services	12,439,500	11,739,872	10,779,799
Acute Mental Health	17,929,800	17,892,895	18,053,006
Community Mental Health	9,749,600	9,352,567	7,650,471
Continuing Care	63,113,500	65,275,005	63,975,423
Private Nursing Home Subsidies	22,675,900	23,163,633	20,926,847
Public and Dental Health	10,765,700	10,233,513	10,035,731
Provincial Pharmacare Programs	34,163,100	32,257,784	31,041,451
Home Care and Support	16,018,500	15,959,008	15,131,149
Provincial Laboratory and Diagnostic Imaging	29,671,300	30,600,377	29,626,106
Provincial Hospital Pharmacies	5,968,100	5,618,116	5,339,495
Emergency Health Services	14,948,000	14,848,302	14,608,105
Corporate and Support Services	22,773,500	21,780,275	21,630,820
Medical Programs - In Province	105,848,300	111,616,453	108,607,074
Medical Programs - Out of Province	46,541,000	52,591,475	46,004,258
Primary Care	12,847,000	13,229,468	11,974,994
Operational Expenses	611,805,900	625,910,990	600,799,242
Amortization of tangible capital assets	-	16,404,155	15,863,880
	611,805,900	642,315,145	616,663,122
Annual Surplus (Deficit) (Note 15)	8,831,300	(19,830,920)	(5,349,096)
Accumulated Surplus, beginning of year		159,378,804	164,727,900
Accumulated Surplus, end of year		139,547,884	159,378,804

(The accompanying notes are an integral part of these financial statements.)

HEALTH PEI

Statement of Changes in Net Debt
for the year ended March 31, 2016

	Budget 2016	2016	2015
	$	$	$
Net Debt, beginning of year	(86,862,671)	(86,862,671)	(86,922,387)
Changes in year:			
Annual surplus (deficit)	8,831,300	(19,630,920)	(5,349,096)
Acquisition of tangible capital assets	(8,831,300)	(9,156,480)	(10,514,784)
Proceeds on disposal of tangible capital assets		93,933	-
Amortization of tangible capital assets	-	16,404,155	15,863,880
Increase in inventories	-	(313,360)	(75,281)
(Increase) decrease in prepaid expenses	-	(2,212,109)	134,997
Change in Net Debt	-	(15,014,781)	59,716
Net Debt, end of year	(86,862,671)	(101,877,452)	(86,862,671)

(The accompanying notes are an integral part of these financial statements.)

HEALTH PEI
Statement of Cash Flow
for the year ended March 31, 2016

	2016	2015
	$	$
Cash provided (used) by:		
Operating Activities		
Deficit for the year	(19,830,920)	(5,349,096)
Amortization of tangible capital assets	16,404,155	15,863,880
Changes in:		
Accounts receivable	(3,388,862)	2,482,093
Due from the Department of Health and Wellness	(6,607,127)	(5,501,767)
Accounts payable and accrued liabilities	3,849,639	6,356,521
Employee future benefits	6,913,663	5,843,294
Deferred revenue	94,510	230,097
Inventories held for use	(313,360)	(75,281)
Prepaid expenses	(2,212,109)	134,997
Cash provided (used) by operating activities	(5,090,411)	19,984,738
Capital Activities		
Acquisition of tangible capital assets	(9,156,480)	(10,514,784)
Proceeds on disposal of tangible capital assets	93,933	-
Cash used by capital activities	(9,062,547)	(10,514,784)
Change in cash	(14,152,958)	9,469,954
Cash, beginning of year	12,316,834	2,846,880
Cash (bank advances), end of year	(1,836,124)	12,316,834

(The accompanying notes are an integral part of these financial statements.)

1. Nature of Operations

Health PEI is a provincial Crown corporation established on April 1, 2010, and operates under the authority of the *Health Services Act*. Health PEI is a government organization named in Schedule B of the *Financial Administration Act* and reports to the Legislative Assembly through the Minister of the Department of Health and Wellness. The mandate of Health PEI is to be responsible for the operation and delivery of all health services in the Province of Prince Edward Island. These services are categorized as follows:

Community Hospitals	Home Care and Support
Acute Care	Public and Dental Health
Addiction Services	Provincial Laboratory and Diagnostic Imaging
Acute Mental Health	Provincial Hospital Pharmacies
Community Mental Health	Emergency Health Services
Continuing Care	Corporate and Support Services
Private Nursing Home Subsidies	Medical Programs - In Province
Provincial Pharmacare Programs	Medical Programs - Out of Province
Primary Care	

Health PEI is a provincial Crown corporation and as such is not subject to taxation under the federal *Income Tax Act*.

2. Summary of Significant Accounting Policies

Basis of Accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards. Health PEI complies with the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA) wherever applicable. PSAB standards are supplemented, where appropriate, by other CPA Canada accounting pronouncements.

Since Health PEI has no unrealized remeasurement gains or losses attributable to foreign exchange, derivatives, portfolio investments, or other financial instruments, a statement of remeasurement gains and losses is not prepared.

Health PEI has no liabilities for contaminated sites. Two former continuing care facilities, which are no longer in productive use by Health PEI, are owned by the Province of Prince Edward Island, and the responsibility for remediation of contamination, if any, is the responsibility of the province's Department of Transportation, Infrastructure and Energy and the Department of Family and Human Services.

2. **Summary of Significant Accounting Policies (continued...)**

a) Cash and Bank Advances

Cash and bank advances include cash on hand and balances on deposit with financial institutions, net of overdrafts.

b) Restricted Cash

Restricted cash consist of funds received as donations by a health facility or program that are restricted for the purchase of equipment, supplies, and/or other needs of the specific facility or program.

c) Accounts Receivable

Accounts receivable are recorded at cost less any provision when collection is in doubt.

d) Inventories Held for Use

Inventories of supplies as described in Note 5 are recorded at the lower of the moving average and replacement cost. Damaged, obsolete, or otherwise unusable inventory is expensed as identified. Inventories of supplies that are resold to the public are not segregated due to their immaterial value.

e) Due from the Department of Health and Wellness

Amounts due to or from the Department of Health and Wellness arise from the difference between cash flows provided to Health PEI and expenditures up to a maximum of the approved grant from the Department. These balances have no repayment terms and are non-interest bearing.

f) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue when eligibility criteria, if any, have been met.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, and/or betterment of the assets. Cost includes overhead directly attributable to construction and development. Interest, if any, on capital projects is expensed as incurred.

For each category of tangible capital assets, only those individual assets meeting a minimum dollar threshold for that category are recorded as capital assets.

2. Summary of Significant Accounting Policies (continued...)

g) Tangible Capital Assets (continued...)

The cost of assets under construction is not amortized until construction is complete and the asset is available for use. In the year of acquisition, one half of the annual amortization is recorded.

The cost of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Building improvements	10 years
Leasehold improvements	Lease term
Paving	10 years
Equipment	5 years
Computer hardware	5 years
Computer software systems	5-20 years
Motor vehicles	5 years

Tangible capital assets are written down when conditions indicate they no longer contribute to Health PEI's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. Write downs are expensed when identified.

h) Prepaid Expenses

Prepaid expenses, as described in Note 6, are charged to expenses over the periods expected to benefit.

I) Revenues

Revenues are recorded on an accrual basis in the period in which the transaction or event which gave rise to the revenue occurred. When accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable, revenues are recorded as received.

Transfers (revenues from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and a reasonable estimate of the amount can be made. Transfers are recognized as deferred revenue when amounts have been received but eligibility criteria have not been met.

Grants from the Department of Health and Wellness are recognized as revenue on a monthly basis as services are delivered by Health PEI in accordance with its legislated mandate.

2. Summary of Significant Accounting Policies (continued...)

j) Expenses

Expenses are recorded on an accrual basis in the period in which the transaction or event which gave rise to the expense occurred.

Transfers include entitlements, grants, and transfers under cost shared agreements. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made.

k) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at year-end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

Health PEI has limited exposure to foreign currency, as substantially all of its transactions are conducted in Canadian dollars and year-end foreign currency balances are not significant.

l) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, employee retirement and sick leave benefits, provisions for doubtful accounts including accounts receivable related to recovery of assessments arising from internal audits of physician billings, accrued liabilities for out-of-province health services including academic funding premiums payable to Nova Scotia, and negotiated settlements with unions and other employees.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the differences could be material.

3. Financial Instruments

Fair Value

Health PEI's financial instruments consist of cash and bank advances, accounts receivable, amounts due from the Department of Health and Wellness, accounts payable and accrued liabilities. Due to their short-term nature, the carrying value of these financial instruments approximate their fair value.

Risk Management

Health PEI is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include credit and liquidity risk. Health PEI's financial instruments are not subject to significant market, interest rate, foreign exchange, or price risk.

Credit Risk

Health PEI is exposed to credit risk with respect to accounts receivable. Health PEI has a collection policy and monitoring processes intended to mitigate potential credit losses. Health PEI maintains provisions for potential credit losses that are assessed on an on-going basis. The provision for doubtful accounts is disclosed in Note 4.

Liquidity Risk

Health PEI is subject to minimal liquidity risk. Liquidity risk is the risk that Health PEI will not be able to meet its financial obligations as they fall due. Health PEI's approach to managing liquidity is to evaluate current and expected liquidity requirements, and to communicate these requirements with the Province of Prince Edward Island to ensure that provincial funding grant payments are timed accordingly.

4. Accounts Receivable

	2016 $	2015 $
Fees and revenues receivable	4,759,348	4,028,516
Assessments of physician billings	1,739,296	-
Hospital foundations	899,105	482,778
Province of Prince Edward Island	127,405	498,822
Employee advances	662,945	735,236
Other	2,740,568	954,255
	10,928,667	6,699,607
Less: provision for doubtful accounts	(2,313,508)	(1,473,310)
	8,615,159	5,226,297

4. Accounts Receivable (continued...)

The aging of fees and revenues receivable is as follows:

	2016 $	2015 $
Current	3,179,493	2,326,611
61-90 days	73,879	86,009
91-180 days	210,012	155,743
Greater than 180 days	1,295,964	1,460,153
	4,759,348	4,028,516

5. Inventories Held for Use

	2016 $	2015 $
Medical supplies	2,288,450	1,885,237
Drugs	1,307,442	1,410,728
Food and other supplies	228,895	215,462
	3,824,787	3,511,427

6. Prepaid Expenses

	2016 $	2015 $
Workers Compensation premiums	1,735,445	-
Maintenance contracts	918,962	579,815
Other	142,622	5,105
	2,797,029	584,920

7. Accounts Payable and Accrued Liabilities

	2016 $	2015 $
Accounts payable	22,677,364	20,672,896
Accrued liabilities	22,020,291	23,320,207
Salaries and benefits payable	21,602,881	19,706,134
Accrued vacation pay	18,962,283	17,713,943
	85,262,819	81,413,180

8. Employee Future Benefits

a) Retirement Allowance

Health PEI provides a retirement allowance to its permanent employees in accordance with the applicable collective agreement. The amount paid to eligible employees at retirement is one week's pay per year of eligible service based on the rate of pay in effect at the retirement date to the maximum specified in the applicable collective agreement. These benefits are unfunded. The benefit costs and liabilities related to these allowances are included in these financial statements.

The most recent actuarial valuation for accounting purposes prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of $45,638,200 as at April 1, 2014. The total liability is projected by Health PEI in the years between the tri-annual valuations.

The economic assumptions used in the determination of the actuarial value of the accrued retirement allowance were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as of April 1, 2014. Significant actuarial assumptions used in the valuation and projection are:

	2016	2015
Discount rate	2.64% per annum	3.80% per annum

Expected salary increase: 2.75% per annum and promotional scale

Expected average remaining service life: 12 years

Retirement age: varying by age and service, with all employees retiring between the ages of 55 and 66. Employees age 66 and older at the valuation date are assumed to retire one year after the valuation date.

The discount rate used for the April 1, 2015 to March 31, 2016 projection has been revised by Health PEI based on a reduction in the Province's long term borrowing rate. A revised rate of 3.08% at April 1, 2016 has also been applied resulting in a decrease of $2,116,186 to the accrued benefit obligation and a corresponding decrease in the unamortized gains and losses at March 31, 2016.

8. **Employee Future Benefits (continued...)**

a) Retirement Allowance (continued...)

	2016 $	2015 $
Balance, beginning of year	38,375,070	35,059,810
Current service cost	3,899,366	3,310,900
Interest accrued on liability	1,405,134	1,738,142
Amortization of actuarial gains & losses	1,496,815	1,372,364
Less: payments made	(2,756,136)	(3,106,146)
Balance, end of year	42,420,249	38,375,070
Gross accrued benefit obligation	53,048,699	52,653,200
Less: unamortized actuarial gains & losses	(10,628,450)	(14,278,130)
Net accrued benefit obligation	42,420,249	38,375,070

b) Accrued Sick Leave

Health PEI employees accumulate sick leave credits at a rate of 11.25 hours for each 162.5 paid hours. Members of the excluded (management) group can accumulate to a maximum of 1950 hours with the exception of 20 grandfathered members whose sick leave balances are currently higher than 1950 hours. All other employees can accumulate to a maximum of 1612.50 hours. An actuarial estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements.

The most recent actuarial valuation for accounting purposes prepared by the actuarial consulting firm Morneau Shepell, disclosed an accrued benefit obligation of $26,204,000 as at April 1, 2014. The total liability is projected by Health PEI in the years between the tri-annual valuations.

The economic assumptions used in the determination of the actuarial value of accrued sick leave benefits were developed by reference to the expected long-term borrowing rate of the Province of Prince Edward Island as at April 1, 2014.

8. **Employee Future Benefits (continued...)**

b) Accrued Sick Leave (continued...)

Significant actuarial assumptions used in the valuation and projections are:

	2016	2015
Discount rate	2.64% per annum	3.80% per annum

Expected salary increase: 3.00% per annum

Expected average remaining service life: 15 years

Termination rates: 0.5% terminate per year

Retirement age: age 61, or in one year if employee has attained age 61

The discount rate used for the April 1, 2015 to March 31, 2016 projection has been revised by Health PEI based on a reduction in the Province's long term borrowing rate. A revised rate of 3.08% at April 1, 2016 has also been applied resulting in a decrease of $980,077 to the accrued benefit obligation and a corresponding decrease in the unamortized gains and losses at March 31, 2016.

	2016 $	2015 $
Balance, beginning of year	20,595,127	18,067,093
Current service cost	3,485,597	3,190,600
Interest accrued on liability	823,121	1,013,995
Amortization of actuarial gains & losses	709,091	553,894
Less: payments made	(2,149,325)	(2,230,455)
Balance, end of year	23,463,611	20,595,127
Gross accrued benefit obligations	31,685,015	30,505,700
Less: unamortized actuarial gains & losses	(8,221,404)	(9,910,573)
Net accrued benefit obligation	23,463,611	20,595,127

8. Employee Future Benefits (continued...)

c) Pension and Other Benefits

i) All permanent employees of Health PEI, other than physicians, participate in the multi-employer contributory defined benefit pension plan as defined by the *Civil Service Superannuation Act*. This Plan provides a pension on retirement based on two percent of the average salary for the highest three years times the number of years of pensionable service, for service to December 31, 2013, and two percent of the career average salary indexed with cost-of-living adjustments, for service after 2013. Indexing is subject to the funded level of the Plan after December 31, 2016.

The Plan is administered by the Province of Prince Edward Island. Additional information on the pension plan as defined in the *Civil Service Superannuation Act* can be found in the notes to the Public Accounts of the Province of Prince Edward Island. The Province is responsible for any unfunded liabilities of the plan. A total of $17,769,669 (2015 - $17,183,892) was contributed towards the Civil Service Superannuation Plan as the employer share of contributions.

ii) Salaried physicians maintain their own personal RRSP accounts to which Health PEI makes contributions in accordance with the Master Agreement between the Medical Society of Prince Edward Island and the Province of Prince Edward Island. Health PEI's contributions are equivalent to 9 percent of the physician's base salary and shall not exceed 50 percent of the maximum permissible contribution provided for in the *Income Tax Act*. Health PEI's liability is limited to its required contributions in accordance with the agreement. A total of $1,037,816 (2015 - $945,945) was contributed towards salaried physician's personal RRSP accounts.

iii) The Public Sector Group Insurance Plan provides life insurance, long-term disability, and health and dental benefits to eligible employees of Health PEI. The Plan is administered by a multi-employer, multi-union Board of Trustees who are responsible for any unfunded liabilities of the Plan. The cost of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for employee coverage during the period.

9. Deferred Revenue

Deferred revenues set aside for specific purposes as required either by legislation, regulation, or agreement as at March 31, 2016:

	Balance, beginning of year $	Receipts during year $	Transferred to revenue $	Balance, end of year $
Health promotion projects	278,940	380,410	278,940	380,410
Conference hosting revenues	8,660	1,700	8,660	1,700
	287,600	382,110	287,600	382,110

10. Contingent Liabilities

Health PEI is subject to legal actions arising in the normal course of business. At March 31, 2016, there were a number of outstanding legal claims against Health PEI. Costs and damages, if any, related to these outstanding claims are the responsibility of the Prince Edward Island Self-Insurance and Risk Management Fund. The Fund provides general liability, errors and omissions, primary property, crime, and automobile liability insurance. The Fund is administered by the Province of Prince Edward Island and the province is responsible for any liabilities of the Fund.

11. Tangible Capital Assets

	Land and land improvements	Buildings and improvements	Equipment and vehicles	Computer hardware and software	2016 Total	2015 Total
	$	$	$	$	$	$
Cost						
Opening balance	3,026,659	274,040,479	106,975,179	55,807,804	441,850,121	432,231,305
Additions	140,000	3,220,457	4,893,355	902,668	9,156,480	10,514,784
Disposals	(93,933)	-	(571,600)	-	(665,533)	(895,968)
Closing balance	3,072,726	277,260,936	113,296,934	56,710,472	450,341,068	441,850,121
Accumulated Amortization						
Opening balance	842,091	76,397,474	94,699,623	27,765,805	199,704,993	184,737,081
Disposals	-	-	(571,600)	-	(571,600)	(895,968)
Amortization	83,378	6,266,847	6,379,579	3,674,351	16,404,155	15,863,880
Closing balance	925,469	82,664,321	100,507,602	31,440,156	215,537,548	199,704,993
Net book value	2,147,257	194,596,615	12,789,332	25,270,316	234,803,520	242,145,128

Cost at March 31, 2016 includes assets under construction as follows:

	2016 $	2015 $
Tyne Valley Long Term Care	195,563	-
Riverview Manor	358,055	-
Other buildings - major improvements	1,289,794	-
Computer software	1,748,102	898,837
Other	-	1,363
	3,591,514	900,200

12. Contractual Obligations

	2017 $	2018 $	2019 $	2020 $	2021 $	Thereafter $
Private nursing homes	20,117,967	-	-	-	-	-
Ambulance services	10,319,276	10,319,276	-	-	-	-
IT maintenance	2,796,774	2,819,158	2,819,158	-	-	-
PEI Medical Society	600,000	-	-	-	-	-
Maintenance contracts	1,361,521	1,395,533	1,296,684	840,430	187,466	20,959
Education funds	1,445,000	1,150,000	600,000	-	-	-
Facility rental	546,817	283,877	269,744	165,098	-	-
Other	4,378,526	3,581,604	2,404,903	1,253,523	458,045	5,451,460
	41,565,881	19,549,448	7,590,489	2,259,051	645,511	5,472,419

Health PEI has $1,928,072 in outstanding contractual commitments for capital projects which commenced on or before March 31, 2016, and are still incomplete.

13. Related Party Transactions

Health PEI had the following transactions with the Province of Prince Edward Island and other government controlled organizations:

	2016 $	2015 $
Transfers from the Province of Prince Edward Island:		
Operating grant - Department of Health and Wellness	586,577,300	577,262,681
Capital grant - Department of Health and Wellness	5,229,019	7,124,300
Salary recoveries	1,352,281	947,398
PEI Lotteries Commission	-	223,996
Other sales and expenses	151,282	507,678
	593,309,882	586,066,053
Transfers to the Province of Prince Edward Island:		
Salary reimbursements	492,621	1,248,292
Insurance premiums	1,793,736	1,777,398
Public Service Commission	566,300	566,300
Other expenses	1,582,715	1,481,731
	4,435,372	5,073,721

Included within the accounts receivable balance at year-end are $127,405 (2015 - $498,822) of transfers from the Province of Prince Edward Island. Included within the accounts payable balance at year-end are $383,886 (2015 - $896,188) of transfers to the Province of Prince Edward Island.

The Province of Prince Edward Island provides the use of several facilities and certain maintenance services for some of these facilities at no cost to Health PEI. Health PEI is responsible for most operational and maintenance costs related to these facilities.

14. Fees - Patient and Client

	2016 $	2015 $
Continuing Care resident fees	12,487,668	12,002,713
Hospital medical services:		
Non-residents	4,403,045	4,071,993
Uninsured hospital services - workers compensation	1,434,900	2,034,180
Other uninsured hospital services	1,310,425	1,266,325
Hospital preferred room accommodations	380,018	390,140
Other	38,504	34,390
	20,054,560	19,799,741

15. Annual Deficit

Throughout the fiscal year, Health PEI regularly communicates with the Department of Health and Wellness and the Department of Finance on the expected operational results for the year and action plans developed to address potential deficits.

As of March 31, 2016, Health PEI's results reflected an operational deficit of $12,583,245. Health PEI may only accumulate an operational deficit if authorized by the Lieutenant Governor in Council. Subsequent to year-end, a special warrant for $12,583,245 was approved by the Executive Council of the Province of Prince Edward Island to fund the operational deficit of Health PEI. This funding is not reflected in the Statement of Operations and Accumulated Surplus because the funding was not authorized prior to the financial statement date, but will be recorded in the year ending March 31, 2017.

The annual deficit for the year ended March 31, 2016 is comprised of:

	Operational $	Capital $	2016 $
Revenues	613,327,745	9,156,480	622,484,225
Expenses	625,910,990	16,404,155	642,315,145
Deficit	(12,583,245)	(7,247,675)	(19,830,920)

A Special Warrant is not required for capital as the tangible capital asset additions funded by the Province are less than the approved capital budget. Amortization expenses are budgeted by the Province as described in Note 17.

16. Trusts Under Administration

At March 31, 2016, the balance of funds held in trust for residents of facilities in Continuing Care was $807,743 (2015 - $750,830). These trusts consist of a monthly comfort allowance provided to Continuing Care residents who qualify for subsidization of resident fees. These amounts are not included in the statement of financial position.

17. **Budgeted Figures**

Budgeted figures have been provided for comparative purposes and have been derived from the estimates approved by the Legislative Assembly of the Province of Prince Edward Island.

The budget for amortization of tangible capital assets remains with the Province of Prince Edward Island. For the fiscal year ended March 31, 2016, the Province budgeted $16,067,600 for amortization of Health PEI's tangible capital assets.

Subsequent to the tabling of the 2015 P.E.I. Estimates of Revenue and Expenditures, Health PEI reallocated certain budget amounts among its divisions. The following table shows the reallocation of the original approved budget.

17. Budgeted Figures (continued...)

	Original Approved Budget $	Adjustments Between Divisions $	Budget - Statement of Operations $
Revenues			
Grants - Dept. of Health and Wellness	586,577,300	-	586,577,300
Fees - patient and client	21,275,300	126,600	21,401,900
Food services	1,118,400	-	1,118,400
Federal revenues	607,500	(100)	607,400
Sales	921,000	-	921,000
Other	1,228,900	(49,000)	1,179,900
Operational Revenues	611,728,400	77,500	611,805,900
Capital grants - Dept. of Health and Wellness	5,401,700	-	5,401,700
Other capital contributions	3,429,600	-	3,429,600
Capital Revenues	8,831,300	-	8,831,300
	620,559,700	77,500	620,637,200
Expenses			
Community Hospitals	22,223,100	72,800	22,295,900
Acute Care	164,343,000	(285,800)	164,057,200
Addiction Services	12,750,800	(311,300)	12,439,500
Acute Mental Health	18,507,800	(578,000)	17,929,800
Community Mental Health	8,971,200	778,400	9,749,600
Continuing Care	63,109,300	4,200	63,113,500
Private Nursing Home Subsidies	22,405,200	270,700	22,675,900
Public and Dental Health	10,723,500	42,200	10,765,700
Provincial Pharmacare Programs	33,935,000	228,100	34,163,100
Home Care and Support	16,012,300	6,200	16,018,500
Provincial Laboratory and Diagnostic Imaging	29,617,900	53,400	29,671,300
Provincial Hospital Pharmacies	6,173,700	(205,600)	5,968,100
Emergency Health Services	14,845,400	102,600	14,948,000
Corporate and Support Services	22,844,000	(70,500)	22,773,500
Medical Programs - In Province	106,127,700	(279,400)	105,848,300
Medical Programs - Out of Province	46,427,000	114,000	46,541,000
Primary Care	12,711,500	135,500	12,847,000
	611,728,400	77,500	611,805,900
Annual Surplus	8,831,300	-	8,831,300

18. Expenses by Type

The following is a summary of expenses by type:

	Compensation $	Supplies $	Sundry* $	Equipment $	Contracted Out Services $	Buildings and Grounds $	2016 Total $
Community Hospitals	17,676,383	3,563,556	440,343	353,654	319,447	380,784	22,734,147
Acute Care	120,594,526	34,658,682	2,878,752	5,408,413	1,982,236	1,495,491	167,018,100
Addiction Services	9,981,457	727,864	704,623	116,709	81,801	127,418	11,739,872
Acute Mental Health	15,645,308	1,388,023	210,322	185,519	286,315	177,408	17,892,895
Community Mental Health	8,578,915	88,522	360,303	108,569	151,088	65,170	9,352,567
Continuing Care	56,549,384	5,983,575	711,901	609,504	367,303	1,073,338	65,275,005
Private Nursing Home Subsidies	-	-	23,163,633	-	-	-	23,163,633
Public and Dental Health	8,710,502	329,689	320,676	66,788	778,211	27,647	10,233,513
Provincial Pharmacare Programs	1,253,467	49,953	29,623,210	1,537	1,329,617	-	32,257,784
Home Care and Support	14,311,561	415,906	1,065,076	52,005	95,939	18,521	15,959,008
Provincial Laboratory and Diagnostic Imaging	18,046,420	10,940,580	373,179	153,917	1,068,079	18,202	30,600,377
Provincial Hospital Pharmacies	5,516,778	11,204	53,702	22,421	-	14,011	5,618,116
Emergency Health Services	351,227	42,793	12,804,903	-	1,649,379	-	14,848,302
Corporate and Support Services	14,997,246	2,138,507	2,919,196	1,082,809	641,899	618	21,780,275
Medical Programs - In Province	100,876,090	80,733	4,153,281	3,685	6,502,664	-	111,616,453
Medical Programs - Out of Province	432,455	929	79,004	600	52,078,487	-	52,591,475
Primary Care	11,242,925	484,661	476,374	43,147	801,576	180,785	13,229,468
	404,764,624	60,885,177	80,336,478	8,209,277	68,134,041	3,579,393	625,910,990

* Sundry expenses are defined by the Management Information System Standards of the Canadian Institute for Health Information and consist of expenses that cannot be otherwise classified as Compensation, Supplies, Equipment, Contracted Out Services, or Buildings and Grounds. Sundry expenses includes operating grants to non-government organizations, public drug program subsidies, and grants established under union collective agreements.

19. Comparative Figures

Certain 2015 comparative figures have been reclassified to conform with the 2016 financial statement presentation.

Notes

Notes

We want to hear from you!

Your health care stories help Health PEI continue to deliver safe, high-quality health care. We are proud of the great work our staff and physicians do every day under challenging circumstances, and hearing your story is another opportunity to further improve the quality of services we deliver to Islanders and celebrate this hard work.

In order to continue to work in partnership with Islanders to support and promote health with patients, families and care givers, we invite you to submit a story or testimonial to ***healthpei@gov.pe.ca***

The deadline for submitting patient stories is **Friday, December 30, 2016**.

We look forward to hearing from you.

Health PEI

One Island Health System

Telephone:
(902) 368-6130

Fax:
(902) 368-6136

Mail:
Health PEI
16 Garfield Street
PO Box 2000
Charlottetown, PE
C1A 7N8

Email:
healthpei@gov.pe.ca

Web:
www.healthpei.ca

Twitter:
@Health_PEI

Health PEI
One Island Health System